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September 22, 2006

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-31

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Information Requests:

DTE-BSG-3-4 DTE-BSG-3-11 DTE-BSG-3-14 UWUA 04-15

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Paul Osborne (DTE)
A. John Sullivan (DTE)
Alexander Cochis, Assistant Attorney General (4 copies)
Charles Harak, Esq. (UWUA)
Nicole Horberg Decter, Esq. (USW)
Service List

I, Kathleen A. Houle, hereby certify I provided a copy of the within by overnight courier or e-file to each individual on the official service list on file with the Secretary of the Department of Telecommunications and Energy.

Dated at Westborough, Massachusetts, this 22nd day of September 2006.

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COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM THE DTE
D.T.E. 06-31

Date: September 22, 2006

Responsible: Stephen H. Bryant, President

DTE-BSG-3-4 Refer to the Company's response to BSG 1-12. Please provide detailed information concerning the Company's Workforce Management System, including examples of the information fed into the system on a daily, monthly and yearly basis. Also describe how this system ensures that correct staffing levels are achieved.

RESPONSE: Please see Attachment DTE-BSG-3-4 for a copy of Bay State's most current staffing and performance forecast for the Springfield Contact Center. This data is generated using a demand forecast software package know as Genesys, which is the primary Work Force Management tool currently used by Bay State.

Genesys automatically gathers input data from the phone switch, including call volumes, average handle time, average speed of answer, and customer service representative data. For long-term forecasting and planning purposes, the Company gathers projections on key business drivers, including gas costs, actual customer consumption, and collectables, and the software projects the capacity needs and best mix of staffing (i.e., part-time / full-time ratios and amount of overtime) to efficiently match the forecasted demand. The use of these tools has improved the Company's planning process, resulted in more proactive management and improved service quality performance.

Springfield
Customer Contact Center
Staffing and Performance Forecast
Oct – Dec 2006

Capacity Elasticity Model Data Input

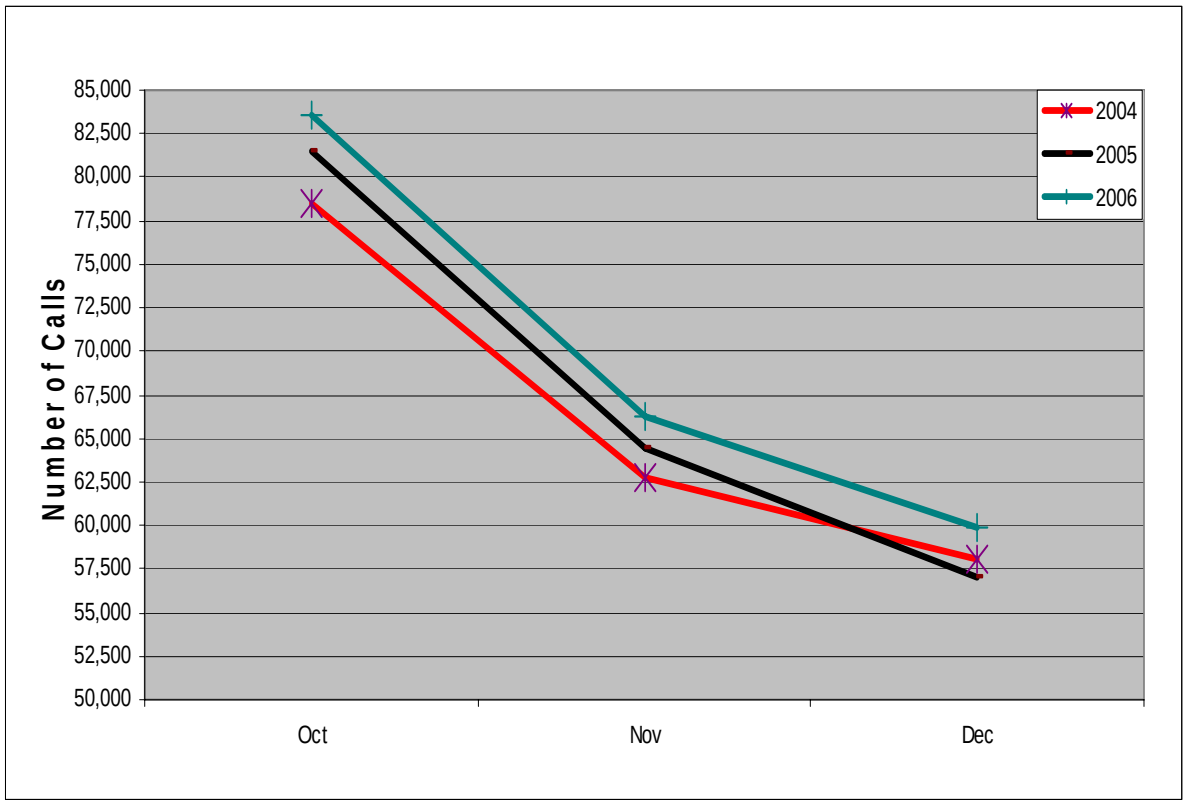
	Oct-06	Nov-06	Dec-06
ASA Status	29	29	17
Staffing Status	63.8	63.2	63.2
Full-Time CSRs	53	53	53
Part-Time CSRs (Head Count)	18	17	17
Part-Time FTE % Max	80%	80%	80%
Part-Time FTE % Plan	75%	75%	75%
Part-Time FTE % Min	40%	40%	40%
Forecast / Actual Attrition	Common	Common	Common
Full time	0	0	0
Part-Time	0	1	0
Added CSR Capacity (Head Count)			
Hire Full-Time			
On Phone Full-Time	0	0	0
Hire Part-Time	0	0	0
On Phone Part-Time	0	0	0
Added Capacity OT and External			
Max Overtime	750	500	400
Plan Overtime	600	358	250
Max External Support Hours	0	0	0
Plan External Support Hours	0	0	0
Shrinkage (Hours)			
Vacation Time	300	480	700
Sick Time	200	200	200
FMLA / Disability	950	950	1,000
Unavailable Time	125	125	125
Other Non-Productive	100	100	100
Training	0	0	80
Meetings	0	32	32
Other Productive	1,625	1,625	1,625
Business Data			
Business Days	21	19	20
Service Time			
AHT Forecast	265	265	262
Demand Forecast	83,510	66,234	59,835

Capacity Elasticity Model Calculations

	Oct-04	Nov-04	Dec-04
Shrinkage Calculation			
Plan Total Shrinkage Hours	3300	3512	3862
Max Capacity Total Shrinkage Hrs	3300	3480	3750
Plan % Shrinkage	31%	37%	39%
Max Capacity % Shrinkage	29%	35%	36%
Total Capacity (Hours)			
Hours Max (Gross)	11,366	9,991	10,390
Hours Plan (Gross)	11,081	9,727	10,112
Hours Min (Gross)	9,482	8,522	8,970
Hours Max (Net)	8,066	6,511	6,640
Hours Plan (Net)	7,592	6,081	6,152
Hours Min (Net)	6,496	5,327	5,457
Total Capacity (Call Volume)			
Max Capacity @ 26 ASA	74,861	60,037	61,255
Plan Capacity @ 26 ASA	70,232	55,838	56,487
Min Capacity @ 26 ASA	59,516	48,468	49,692

Springfield
Customer Contact Center
Demand Distribution

Year	Oct	Nov	Dec
2004	78,524	62,699	58,108
2005	81,439	64,395	56,986
2006	83,510	66,234	59,835



COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM THE DTE
D.T.E. 06-31

Date: September 22, 2006

Responsible: Stephen H. Bryant, President

DTE-BSG-3-11 Please provide all studies, analyses, reports etc. pertaining to sales development and sales staffing for the Company (prepared by either Bay State or by NiSource on behalf of Bay State) during the years 1997 through 2006.

RESPONSE: See Attachment DTE-BSG-3-11 (a) for Memorandums pertaining to the support and recommendation to add four Field Commercial Sales representatives in 2004.

Attachment DTE-BSG-3-11 (a) consists of;

- Memorandum from M. Poulin to M. Huwar, dated 6/23/2003 Re: "Revenue Generation from Field Sales Forces"
- Memorandom from M. Poulin to Danny Cote, dated 9/8/2003 Re. "Revenue Generation from Field Sales Forces"
- Memorandum from M. Poulin to R. Carter, dated 2/3/04 Re: "Need for Small Field Sales Force Within BSG New Business Team"
- Memorandum from S. Bryant to S. Miller, dated 2/25/2004 Re: "Authorization to Add Four Field Commercial Sales Representatives"

See Attachment DTE-BSG-3-10 (c), "Throughput Sales Effort in New England 10/18/05", and Attachment DTE-BSG-3-10 (a), "Competitive Sales and Retail Services Report for July 2006", for analyses that quantify the positive impact of the addition of four Field Commercial Sales Representatives.

Memorandums

- Memorandum from M. Poulin to M. Huwar, dated 6/23/2003
  Re: Revenue Generation from Field Sales Forces

- Memorandom from M. Poulin to Danny Cote, dated 9/8/2003
  Re. "Revenue Generation from Field Sales Forces"

- Memorandum from M. Poulin to R. Carter, dated 2/3/04
  Re: "Need for Small Field Sales Force Within BSG New Business Team"

- Memorandum from S. Bryant to S. Miller, dated 2/25/2004
  Re: " Authorization to Add Four Field Commercial Sales Representatives"

Memorandum

To: Mike Huwar

From: Marty Poulin

Date: June 27, 2003

Re: Revenue Generation from Field Sales Forces

Overview

In order to generate revenue, we should move forward with a hybrid sales organization that captures the benefits of the Inside Sales structure that is already in place, but is more productive by utilizing a small Field Sales Force.

We need a minimum of four Field Sales Representatives throughout the Bay State/Northern territory. In addition, we should add one additional Key Account Representative. A larger number of field representatives could be justified, but we could work with the 5 positions and make a future determination if additional positions should be added.

These five positions would add an additional $916,000 in booked new annual net revenues.

Projected New Revenues

The new annual sales revenue estimate is derived by comparing 2002 Bay State booked sales to 2003 year to date booked sales. I have adjusted the 2002 Con Ed project out of the calculation to provide a more meaningful comparison. After that adjustment is made, 2003 added revenues are running at 66% of 2002 levels. Projecting that percentage over the entire year results in a $1,466,244 reduction in booked new sales this year. That difference is the result of the reduction of 8 Field Sales Representatives (6 commercial and 2 key account). That is an average of $183,280 per rep. Adding 5 reps at $183,280 would result in an additional $916,000 in booked new net revenues.

Two factors should be considered. This analysis does not take into consideration the increasingly difficult selling conditions in the market due to the economy as well as the significant price premium for natural gas compared to fuel oil in our territory. Second, there is a delayed impact of new sales revenues on the Company's financial reports. The $916,000 represents the first year's new annual sales after the meter turns on. That booked new revenue would turn on over a 12-month period, and the full impact would not be seen until 12 months after the last meter has turned on. In any event, this added revenue would help offset the normal load and revenue attrition that occurs due to lower use per customer.

On the other hand, I believe the existing structure reduces the profitability of our capital investments. A properly trained field sales force knows what types of projects to look for, and then tends to focus on projects that have a better return on investment. Borderline projects tend to come in on their own because the customer has a need. I believe we are still getting those, but we are not getting the more profitable jobs that the field sales force can find. A profitable segment that we are not reaching is commercial conversions along our existing gas main. These tend to have an excellent return on

investment and increase the utilization of our existing infrastructure. If I am correct, we will see that the rate of decline of new load will exceed the decline in capital spending, which will have a negative impact on financial performance.

Structure

The reason for adding fewer reps than were eliminated in 2002 is to capture the benefits of the new organization. While not a growth organization, there are advantages to the current structure that should be retained. Having an Inside Commercial Sales force will allow us to better screen incoming commercial calls, and only utilize Field staff when necessary. It will also allow us to develop a team sales approach.

All calls should still go through the Inside Sales Group, the 2 commercial and 1 builder/developer reps. To have a minimally effective field force, we need some geographic coverage. We should have 1 Field Rep in Brockton, Springfield, Lawrence and Maine. The Lawrence and Maine reps would also each cover part of New Hampshire. This would give us broad geographic coverage and someone that can interact with the local Operations Centers and Tech Ops personnel. These field reps would be responsible for generating new sales as well as the field visits that are necessary for the calls that come through the existing inside group. Each Field Rep would be linked up with one of the Inside Commercial Representatives and the Builder/Developer Rep.

There are two reasons that I recommend adding a second Key Account Representative. Mike is currently managing about twice the base revenues of any other Key Account Representative. That, combined with the size of the territory and the alternate fuel situation in New England puts more revenue at risk. In addition, there are load opportunities here from very large prospects that are more likely to be realized with an additional rep than with Mike covering the entire territory.

Additional Benefits

In the existing structure, our most profitable load additions are the most difficult, and frustrating for the customer. That is added loads to existing customers, or added meters to existing meter sets. These projects frequently require a field visit to determine exactly what facilities we have at the location, as well as other gas use at the address. Our current structure requires us to place the burden on the customer. In these cases, we have little to no capital investment, and our procedures should be designed to get the new load on as quickly and efficiently as possible, with as little inconvenience as possible to the customer.

Summary

We have been in a withdrawal from the marketplace for the last two years. Returning to a modest field sales organization will allow us to generate more profitable added load, and hopefully reverse the negative trend in customer and trade ally perception of the Company. While we will have to rebuild our relationships, the new direction will likely be welcomed in the marketplace.

Memorandum

To: Danny Cote

From: Marty Poulin

Date: September 8, 2003

Re: Revenue Generation from Field Sales Forces

Overview

In order to protect dual fuel revenues and generate new revenues, we should move forward with a hybrid sales organization that captures the benefits of the Inside Sales structure that is already in place, but is more productive by utilizing a small Field Sales Force.

We need a minimum of four Field Sales Representatives throughout the Bay State/Northern territory. In addition, we should add one additional Key Account Representative. A larger number of field representatives could be justified, but we could work with the 5 positions and make a future determination if additional positions should be added.

These five positions would add an additional $916,000 in booked new annual net revenues and protect $600,000 - $1,000,000 in dual fuel revenues at risk

Dual Fuel Revenues

The 2002 reduction in sales force resulted in the removal of roughly 300 customers from the Bay State/Northern Key Account list. A number of these are dual fuel customers generating roughly $620,000 in annual net revenues. In addition, many school systems in New England also have dual fuel capability. These revenues had not yet been quantified at the time of our 2002 reorganization. As part of our 2001 reorganization, these accounts had been assigned to the 6 commercial representatives, rather than the Key Account representatives. These representatives were building the database of dual fuel school systems in 2002 when their jobs were eliminated. I would estimate that there is between $250,000 - $400,000 in dual fuel annual net revenue in this customer group.

Projected New Revenues

The new annual sales revenue estimate is derived by comparing 2002 Bay State booked sales to 2003 year to date booked sales. I have adjusted the 2002 Con Ed project out of the calculation to provide a more meaningful comparison. After that adjustment is made, 2003 added revenues are running at 66% of 2002 levels. Projecting that percentage over the entire year results in a $1,466,244 reduction in booked new sales this year. That difference is the result of the reduction of 8 Field Sales Representatives (6 commercial and 2 key account). That is an average of $183,280 per rep. Adding 5 reps at $183,280 would result in an additional $916,000 in booked new net revenues.

Two factors should be considered. This analysis does not take into consideration the increasingly difficult selling conditions in the market due to the economy as well as the significant price premium for natural gas compared to fuel oil in our territory. Second, there is a delayed impact of new sales revenues on the Company's financial reports. The $916,000 represents the first year's new annual

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sales after the meter turns on. That booked new revenue would turn on over a 12-month period, and the full impact would not be seen until 12 months after the last meter has turned on. In any event, this added revenue would help offset the normal load and revenue attrition that occurs due to lower use per customer.

On the other hand, I believe the existing structure reduces the profitability of our capital investments. A properly trained field sales force knows what types of projects to look for, and then tends to focus on projects that have a better return on investment. Borderline projects tend to come in on their own because the customer has a need. I believe we are still getting those, but we are not getting the more profitable jobs that the field sales force can find. A profitable segment that we are not reaching is commercial conversions along our existing gas main. These tend to have an excellent return on investment and increase the utilization of our existing infrastructure. If I am correct, we will see that the rate of decline of new load will exceed the decline in capital spending, which will have a negative impact on financial performance.

Structure

I am recommending adding fewer reps than were eliminated in 2002 to capture the benefits of the new organization. While not a growth organization, there are advantages to the current structure that should be retained. Having an Inside Commercial Sales force will allow us to better screen incoming commercial calls, and only utilize Field staff when necessary. It will also allow us to develop a team sales approach.

We need some geographic coverage. We should have 1 Field Rep in Brockton, Springfield, Lawrence and Maine. The Lawrence and Maine reps would also each cover part of New Hampshire. This would give us broad geographic coverage and someone that can interact with the local Operations Centers and Tech Ops personnel. These field reps would be responsible for generating new sales as well as the field visits that are necessary for the calls that come through the existing inside group. We could survive with 3 field reps, by simply having one for all of Northern. This would be an improvement over today's structure, but would not be as effective as 4.

There are two reasons that I recommend adding a second Key Account Representative. Mike is currently managing about twice the base revenues of any other Key Account Representative. That, combined with the size of the territory and the alternate fuel situation in New England puts more revenue at risk. In addition, there are load opportunities here from very large prospects that are more likely to be realized with an additional rep than with Mike covering the entire territory. Adding the second Key Account Representative would allow us to add all of our dual fuel customers back onto the Key Account list.

Additional Benefits

The existing structure is putting dual fuel load at risk and making it more difficult to add the most profitable load, which is added load to existing customers.

Many of the medium to large commercial projects need a field visit. Not having field sales reps has simply passed this burden on to either the Field Ops or Tech Ops groups. They are not staffed or equipped to handle these activities and discussions with customers. Ideally, these customer meetings should happen very early in the process so that the customer and the company can properly plan the job. In the case of our school systems, many of these are dual fuel facilities and our lack of responsiveness will increase the likelihood of their converting back to fuel oil.

In addition, our most profitable load additions are the most difficult, and frustrating for the customer. That is added loads to existing customers, or added meters to existing meter sets. These projects frequently require a field visit to determine exactly what facilities we have at the location, as well as other gas use at the address. Our current structure requires us to place the burden on the customer. In

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these cases, we have little to no capital investment, and our procedures should be designed to get the new load on as quickly and efficiently as possible, with as little inconvenience as possible to the customer.

Summary

We have been in a withdrawal from the marketplace for the last two years. Returning to a modest field sales organization will allow us to further protect dual fuel load, generate more profitable added load, and hopefully reverse the negative trend in customer and trade ally perception of the Company. While we will have to rebuild our relationships, the new direction will likely be welcomed in the marketplace.

Bay State Gas New Business Team

Date: February 3, 2004

To: Reg Carter

Cc: Steve Bryant

From: Marty Poulin

RE: Need for Small Field Sales Force within Bay State New Business Team

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There are process improvements and growth opportunities that would be realized by adding a small field sales force to the New Business Team at Bay State Gas/Northern Utilities. The removal of the entire sales force has resulted in revenue additions declining at a far faster rate than the reduction in growth capital expenditure. The table below shows the number of Field Reps that we have had for each of the last three years, the resulting total Growth Capital expenditure, the Booked New Annual Net Revenue, and the Booked Net Revenue Generated net the carrying cost of the capital expense at a rate of 15%.

Summary Impact of Reduced Field Sales Force

	2001	2002	2003
Total Field Sales and Key Account	**22**	**9**	**1**
Field Sales	17	6	0
Key Account	5	3	1
Growth Capital	**$ 9,630,664**	**$ 7,793,730**	**$ 7,985,302**
Booked New Annual Revenues	**$ 5,733,542**	**$ 4,722,082**	**$ 2,953,616**
New Revenue less Carrying Cost of Capital @15%	**$ 4,288,942**	**$ 3,553,023**	**$ 1,755,821**

The bottom line reduction from 2001 to 2002 is less severe than the subsequent year because that reduction of 13 reps had the net effect of eliminating residential field sales. The 9 reps that we retained were exclusively focused on the higher margin commercial and industrial sales. Capital spending and revenue generation went down proportionately.

The more significant concern is with the job elimination in the fall of 2002. Elimi nating all the remaining Commercial Field Reps and 2 of the 3 Key Account Reps eliminated the focus on high margin jobs. The only growth capital being spent is for customers with an immediate need that call us. Many of these are close to the hurdle rate as opposed to the high margin jobs the field staff was focused on. As a result, revenue generation has dropped at a much faster pace than capital spending. This will lead to a revenue problem in 2004. The $1,768,466 that didn't book in 2003 (4,722,082-2,953,616) will not go through the meter over the next 12 months or beyond. This likely means that new revenue generated will have a difficult time offsetting natural load attrition.

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Not having a small commercial sales force is creating at least 3 different problems.

- We're missing projects and the resulting load. In New England, there is as much territory without natural gas as there is with it. For this reason, businesses and developers of commercial and industrial property, and subdivisions, are used to installing alternate fuels. In many cases, that is all they have ever installed. Without a field sales force looking for these new projects early in the process, we will not get the project. Commercial reps also develop a working knowledge of the territory. They know who has natural gas and who doesn't. They know which projects are likely to have a high return, and be easily approved. These are the conversion projects that these reps target. These sales are frequently made over a number of years. The reps slowly establish relationships either with the business, or other trade allies, and this results in fuel conversions that generally have a low capital investment and a high return.
- Providing poor service to customer initiated projects. There are projects that require a field visit at the early, or sales, stages. This is especially true when you are dealing with an existing infrastructure. It is frustrating for customers when there are multiple phone calls to try and gain an understanding on what exists at the site. Customers do not speak our language and no matter how good the communication, they don't understand what we are looking for. Many of these customers have established relationships with alternate fuel dealers for their work outside of our territory. As they become more dissatisfied with our level of service, they will simply deal with their alternate fuel supplier.
- Creating additional work for Tech and Field Ops - reducing their overall effectiveness. When it is determined that we have to visit the site and/or meet with the customer, it is either an Engineering Tech, Construction Specialist or Metering Supervisor that has to do it. This reduces the amount of time they can spend on their normal activities, which in turn slows down the entire process. This is in addition to their already busy schedule and the result is that the customer has to wait up to 3 weeks to meet with a Bay State representative.

There are other ways to improve the process. Adding Engineers or Construction Specialists would allow more contact between these employees and our customers, eliminating some of the problems that we are having today. However, this solution does not address the lost focus on high margin jobs. The most cost effective way to address both the process issues and the lack of a focus on high margin jobs would be to add a small field sales force. Adding 4 Field Commercial Representatives would generate roughly $720,000 - $800,000 in additional booked net revenues each year. It will likely also reduce unit costs due to fewer errors as a result of miscommunication, and increase customer satisfaction with our process. Adding an additional Key Account Representative to the Large Customer Relationships group would likely generate another $150,000 in additional booked net revenues each year.

The 4 Field Sales Reps will work in conjunction with the Inside Sales Staff. We cannot and should not send all commercial sales to the field reps. 4 reps would not be enough to handle the workload, and we would not be taking advantage of process improvements that have already been put in place. The Field Reps would be responsible for generating additional business, and would be sent to the job sites where the Inside Staff has determined that a field visit is necessary.

We are effectively 1 year removed from an active sales effort, and it will take another year to begin realizing the benefits of a field sales force. Acting now will allow us to quickly rebuild our relationships in the marketplace and reduce the long-term negative impact.

In addition, we have an opening for one of the Inside Sales Rep positions. Acting now will allow for a coordinated hiring effort, enabling us to maximize organizational effectiveness and slot the most effective people in the right job.

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Bay State Gas
A NiSource Company

Intercompany Communication

Date:	February 25, 2004	**From:**	Steve Bryant
Subject:	Authorization to Add Four Field Commercial Sales Representatives	**Dept.:**	Regulated Revenue
To:	Sam Miller	**Copy:**	Bob Skaggs Marty Poulin

As we discussed last week, the information provided here is to support a request to add four Field Commercial Sales Representatives at Bay State / Northern. The annual increase to O&M cost is approximately $500,000 and, to my knowledge, no provision has been made within the 2004 budget to cover the cost of these positions. Nonetheless, a compelling case can be made to fund this expense.

Background

At the beginning of 2001, Bay State / Northern had 22 employees engaged in field sales, covering a range of transactions from residential oil-to-gas conversions to key account and industrial sales. As organizational changes were rolled out over the last two years, field sales staffing was drastically reduced. There is now only one employee to cover all outside sales, and this employee's focus is on maintaining relationships with certain key accounts.

Current Situation

The reductions in sales staff are now having a significant adverse impact on new load additions. Further, these staff reductions have had a relatively minor impact on the amount of capital deployed to serve new business. From 2001 to 2003, capital expenditures to serve new business have fallen 17%, from $9.6 million to $8.0 million. During this same period net booked revenue from new business[(1)] has fallen by 58%, from $4.3 million to $1.8 million.

Recommendation

I recommend that four Field Commercial Sales Representatives, at an annual cost of approximately $500,000 be added. It can reasonably be expected that four Field Commercial Representatives could produce, in total, $700,000 to $800,000 in

(1) Booked net revenue refers to the estimated amount of annual revenue, net of gas cost and carrying cost for required capital, that is expected in the first twelve months after a customer's new load is added.

additional net booked annual revenue[2]. Also, filling these positions in 2004 will allow Bay State to seek cost recovery for these positions as part of its next base rate case. One word of caution is that it will take some time for these new sales representatives to establish themselves. I would expect that the first year's results will be significantly below the results that can be expected in the second year and beyond.

The attachment here provide additional detail.

[2] Keep in mind that the O&M expense each year for sales should be viewed as a one time investment that creates an annual revenue stream for an indefinite period.

Attachment 1

Impact of Sales Force Elimination on Net Revenue Added less Capital Expense

	2001	2002	2003
Total Field Sales and Key Account	**22**	**9**	**1**
Field Sales	**17**	**6**	**0**
Brockton	6	2	0
Springfield	5	1	0
Lawrence	1	1	0
NH	3	1	0
ME	2	1	0
Key Account	**5**	**3**	**1**
Brockton	2	1	0
Springfield	1	1	0
Lawrence	1	0	0
NH	0	0	0
ME	1	1	0

Growth Capital Investments

	2001	2002	2003
New Main	$ 2,615,389	$ 1,753,016	$ 2,331,862
New Residential Services	$ 3,382,443	$ 3,490,168	$ 3,376,919
New C&I Services	$ 1,327,581	$ 1,512,505	$ 1,374,070
New Residential Meter	$ 286,179	$ 253,497	$ 262,355
New C&I Meter	$ 568,899	$ 470,554	$ 519,900
Other Growth Capital	$ 1,450,173	$ 313,990	$ 120,196
Total Growth Capital	**$ 9,630,664**	**$ 7,793,730**	**$ 7,985,302**

Booked New Annual Revenues

Residential	$ 2,104,806	$ 1,725,085	$ 1,483,407
C&I	$ 3,628,736	$ 2,996,997	$ 1,470,209
Total	**$ 5,733,542**	**$ 4,722,082**	**$ 2,953,616**

Booked New Revenues Less Carrying Cost of Growth Capital @15%

Total Booked New Revenues	$ 5,733,542	$ 4,722,082	$ 2,953,616
Carrying Cost of Capital	$ 1,444,600	$ 1,169,060	$ 1,197,795
Total Added Net Revenue	**$ 4,288,942**	**$ 3,553,023**	**$ 1,755,821**

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
FOURTH SET OF INFORMATION REQUESTS OF LOCAL 273
D.T.E. 06-31

Date: September 22, 2006

Responsible: Stephen H. Bryant, President

UWUA-04-15: [See UWUA 1-6]

Please provide copies of any written complaints received, or logs or oral complaints, from Bay State employees regarding any handling or processing of complaints at the San Jose, Costa Rica facility.

RESPONSE: The Company has received no employee complaints concerning the handling or processing of complaints at the San Jose, Costa Rica facility.